

All Three Home Price Composites End 2011 at New Lows According to the S&P/Case-Shiller Home Price Indices

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NEW YORK, Feb. 28, 2012 /PRNewswire/ -- Data through December 2011, released today by S&P Indices for its S&P/Case-Shiller[1] Home Price Indices, the leading measure of U.S. home prices, showed that all three headline composites ended 2011 at new index lows. The national composite fell by 3.8% during the fourth quarter of 2011 and was down 4.0% versus the fourth quarter of 2010. Both the 10- and 20-City Composites fell by 1.1% in December over November, and posted annual returns of -3.9% and -4.0% versus December 2010, respectively. These are worse than the -3.8% respective annual rates both reported for November. With these latest data, all three composites are at their lowest levels since the housing crisis began in mid-2006.

In addition to both Composites, 18 of the 20 MSAs saw monthly declines in December over November. Miami and Phoenix were up 0.2% and 0.8%, respectively. At -12.8% Atlanta continued to post the lowest annual return. Detroit was the only city to post a positive annual return, +0.5% in December versus the same month in 2010. In addition to the three composites, Atlanta, Las Vegas, Seattle and Tampa each saw average home prices hit new lows.

The S&P/Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 4.0% decline in the fourth quarter of 2011 over the fourth quarter of 2010. In December, the 10- and 20-City Composites posted annual rates of decline of 3.9% and 4.0%, respectively.

"In terms of prices, the housing market ended 2011 on a very disappointing note," says David M. Blitzer, Chairman of the Index Committee at S&P Indices. "With this month's report we saw all three composite hit new record lows. While we thought we saw some signs of stabilization in the middle of 2011, it appears that neither the economy nor consumer confidence was strong enough to move the market in a positive direction as the year ended.

"After a prior three years of accelerated decline, the past two years has been a story of a housing market that is bottoming out but has not yet stabilized. Up until today's report we had believed the crisis lows for the composites were behind us, with the 10-City Composite originally hitting a low in April 2009 and the 20-City Composite in March 2011. Now it looks like neither was the case, as both hit new record lows in December 2011. The National Composite fell by 3.8% in the fourth quarter alone, and is down 33.8% from its 2nd quarter 2006 peak. It also recorded a new record low.

"In general, most of the regions also posted weak data in December. Eighteen of the cities saw average home prices fall in December over November. Seventeen of the cities have seen monthly declines for at least three consecutive months. In addition to both monthly composites, 10 of the cities saw home prices fall by more than 1.0% during the month of December. The pick-up in the economy has simply not been strong enough to keep home prices stabilized. If anything it looks like we might have reentered a period of decline as we begin 2012."

As of the fourth quarter of 2011, average home prices across the United States are back at their late 2002 levels. With this month's report, the National Index level hit a new low, falling 3.8% over the 4th quarter and down 4.0% versus the fourth quarter of 2010.

As of December 2011, average home prices for these two composites hit new record lows. Measured from their June/July 2006 peaks through December 2011, the peak-to-current decline for both the 10-City Composite and 20-City Composite is -33.8%; the same as the national composite.

	2011 Q4 Level	2011 Q4/2011 Q3 Change (%)	2011 Q3/2011 Q2 Change (%)	1-Year Change (%)
U.S. National Index	125.67	-3.8%	-0.1%	-4.0%
Metropolitan Area	December 2011 Level	December/November Change (%)	November/October Change (%)	1-Year Change (%)
Atlanta	87.30	-1.8%	-2.5%	-12.8%
Boston	148.54	-1.2%	-1.6%	-2.6%
Charlotte	109.83	-0.5%	-1.2%	-2.3%
Chicago	110.23	-2.0%	-3.4%	-6.5%
Cleveland	97.73	-1.2%	-0.8%	-2.5%
Dallas	113.22	-0.7%	-1.3%	-1.3%
Denver	123.62	-0.9%	-0.5%	-0.4%
Detroit	68.39	-3.8%	-2.3%	0.5%
Las Vegas	90.71	-0.8%	-1.0%	-8.8%
Los Angeles	162.11	-1.1%	-1.0%	-5.2%
Miami	137.70	0.2%	-0.5%	-3.8%
Minneapolis	111.64	-1.8%	-0.5%	-4.9%
New York	163.11	-1.2%	-1.4%	-2.9%
Phoenix	101.91	0.8%	0.6%	-1.2%
Portland	132.76	-0.4%	-1.6%	-4.0%
San Diego	150.42	-0.7%	-0.9%	-5.4%
San Francisco	128.72	-0.8%	-1.9%	-5.4%
Seattle	130.99	-1.3%	-1.2%	-5.6%
Tampa	125.08	-0.2%	-1.1%	-4.3%
Washington	179.89	-1.2%	-0.7%	-1.6%
Composite-10	149.89	-1.1%	-1.3%	-3.9%
Composite-20	136.71	-1.1%	-1.3%	-4.0%

Source: S&P Indices and

Fiserv

Data through December 2011

The table above summarizes the results for December 2011. The S&P/Case-Shiller Home Price Indices are revised for the 24 prior months, based on the receipt of additional source data. More than 24 years of history for these data series is available, and can be accessed in full by going to www.homeprice.standardandpoors.com

In December 2011, Miami and Phoenix were the only two MSAs that posted monthly gains, +0.2% and +0.8%, respectively. Both the 10-City and 20-City Composites were down 1.1%, from their November 2011 levels. Atlanta, Cleveland, Detroit and Las Vegas were the four cities where average home prices were below their January 2000 levels. With an index level of 101.91 Phoenix is not far behind.

Since its launch in early 2006, the S&P/Case-Shiller Home Price Indices have published, and the markets have followed and reported on, the non-seasonally adjusted data set used in the headline indices. For analytical purposes, S&P Indices publishes a seasonally adjusted data set covered in the headline indices, as well as for the 17 of 20 markets with tiered price indices and the five condo markets that are tracked.

A summary of the monthly changes using the seasonally adjusted (SA) and non-seasonally adjusted (NSA) data can be found in the table below.

	2011 Q4/2011 Q3		2011 Q3/2011 Q2	
	NSA	SA	NSA	SA
US National	-3.8%	-1.7%	-0.1%	-1.4%
Metropolitan Area	December/November NSA	Change (%) SA	November/October NSA	Change (%) SA
Atlanta	-1.8%	-1.3%	-2.5%	-1.3%
Boston	-1.2%	-0.7%	-1.6%	-0.6%
Charlotte	-0.5%	0.1%	-1.2%	-0.7%
Chicago	-2.0%	-1.1%	-3.4%	-2.2%
Cleveland	-1.2%	-0.2%	-0.8%	-0.2%
Dallas	-0.7%	0.2%	-1.3%	-0.3%
Denver	-0.9%	0.1%	-0.5%	0.4%
Detroit	-3.8%	-3.5%	-2.3%	-1.3%
Las Vegas	-0.8%	-0.4%	-1.0%	-0.8%
Los Angeles	-1.1%	-0.6%	-1.0%	-0.8%
Miami	0.2%	0.2%	-0.5%	-0.8%
Minneapolis	-1.8%	-0.5%	-0.5%	0.3%
New York	-1.2%	-0.7%	-1.4%	-0.8%
Phoenix	0.8%	1.4%	0.6%	0.6%
Portland	-0.4%	0.1%	-1.6%	-1.1%

San Diego	-0.7%	-0.1%	-0.9%	-0.4%
San Francisco	-0.8%	0.0%	-1.9%	-1.2%
Seattle	-1.3%	-0.2%	-1.2%	-0.6%
Tampa	-0.2%	0.2%	-1.1%	-0.7%
Washington	-1.2%	-0.4%	-0.7%	0.0%
Composite-10	-1.1%	-0.5%	-1.3%	-0.8%
Composite-20	-1.1%	-0.5%	-1.3%	-0.7%

Source: S&P Indices and

Fiserv

Data through December 2011

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S&P Indices, a leading brand of the McGraw-Hill Companies (NYSE:MHP), maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Over \$1.45 trillion is directly indexed to our indices, which includes the S&P 500, the world's most followed stock market index, the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices, the S&P Global BMI, an index with approximately 11,000 constituents, the S&P GSCI, the industry's most closely watched commodities index, and the S&P National AMT-Free Municipal Bond Index, the premier investable index for U.S. municipal bonds. For more information, please visit: www.standardandpoors.com/indices.

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S&P Indices has introduced a new blog called **HousingViews.com**. This interactive blog delivers real-time commentary and analysis from across the Standard & Poor's organization on a wide-range of topics impacting residential home prices, homebuilding and mortgage financing in the United States. Readers and viewers can visit the blog at www.housingviews.com, where feedback and commentary is certainly welcomed and encouraged.

The S&P/Case-Shiller Home Price Indices are published on the last Tuesday of each month at 9:00 am ET. They are constructed to accurately track the price path of typical single-family homes located in each metropolitan area provided. Each index combines matched price pairs for thousands of individual houses from the available universe of arms-length sales data. The S&P/Case-Shiller National U.S. Home Price Index tracks the value of single-family housing within the United States. The index is a composite of single-family home price indices for the nine U.S. Census divisions and is calculated quarterly. The S&P/Case-Shiller Composite of 10 Home Price Index is a value-weighted average of the 10 original metro area indices. The S&P/Case-Shiller Composite of 20 Home Price Index is a value-weighted average of the 20 metro area indices. The indices have a base value of 100 in January 2000; thus, for example, a current index value of 150 translates to a 50% appreciation rate since January 2000 for a typical home located within the subject market.

These indices are generated and published under agreements between S&P Indices and Fiserv, Inc.

The S&P/Case-Shiller Home Price Indices are produced by Fiserv, Inc. In addition to the S&P/Case-Shiller Home Price Indices, Fiserv also offers home price index sets covering thousands of zip codes, counties, metro areas, and state markets. The indices, published by S&P Indices, represent just a small subset of the broader data available through Fiserv.

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